

Alberta Gaming and Liquor Commission 2010-2013 Business Plan



Ensuring gaming and liquor sustainability for Alberta

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Who we are and what we do

The Alberta Gaming and Liquor Commission (AGLC) operates under the authority of the *Gaming and Liquor Act*. Its structure includes:

A seven-member board that is appointed by the government and reports directly to the Solicitor General and Minister of Public Security. The Board approves gaming and liquor policy to ensure Alberta's gaming and liquor industries are well regulated and managed on behalf of the people of the province. The Board ensures the powers and duties of the AGLC are appropriately carried out through the Chief Executive Officer. Board members also conduct hearings and make decisions respecting licences and registrations.

Management that directs the ongoing operations of the organization. The Chief Executive Officer (CEO) directs the operations of the AGLC and is supported by a seven member executive team. The CEO is also an ex-officio member of the Board. This structure facilitates clear lines of communication and ensures policy implementation is consistent with Board direction.

The AGLC's role—through its Board and management—is to administer the *Gaming and Liquor Act* and related legislation. The AGLC is responsible for regulating Alberta's charitable gaming activities (casino table games, pull-ticket sales, raffles and bingo events) and for conducting and managing provincial gaming activities (ticket lotteries and all electronic gaming devices). It also oversees the manufacture, importation, sale, purchase, possession, storage, transportation, use and consumption of liquor in Alberta. In managing its responsibilities, the AGLC continually assesses and balances revenue generation with the responsible provision of gaming and liquor.

Gaming activities contribute to Albertans' quality of life by providing opportunities to charitable groups to raise funds directly for their valuable work, by providing entertainment options to adults in Alberta, and by providing funding used by government to support volunteer, public, and community-focused initiatives. In 2008-09, charitable and religious organizations raised approximately \$335 million through licensed gaming activities under Alberta's charitable gaming model. In addition, over \$1.5 billion of gaming proceeds is provided annually to volunteer groups, public, and community-based initiatives through the Alberta Lottery Fund. In 2008-09, gross revenue from charitable gaming totalled almost \$1.5 billion while gross revenue from provincial gaming totalled \$25 billion.

One of the results of privatizing Alberta's liquor industry is that consumers have more liquor products to choose from than they did before privatization. As of April 2009, a total of 23,770 liquor products were registered with the AGLC, with 15,872 products available across the province. There were 1,210 stores open across Alberta at year's end. The private sector operates the retailing, warehousing, and distribution of liquor in Alberta and the AGLC licenses and regulates the industry. The province receives in excess of \$684 million annually through the markup on liquor products sold in Alberta.

The AGLC also provides enforcement and investigative services related to the *Tobacco Tax Act*, the *Fuel Tax Act*, and the *Tourism Levy Act* through a memorandum of understanding with Alberta Finance and Enterprise. The AGLC also provides enforcement services relating to the display and advertising/promotion provisions of the *Tobacco Reduction Act* at retailer locations, through an agreement with Alberta Health Services.

Our vision

Ensuring gaming and liquor sustainability for Alberta

Our mission

Providing and protecting Albertans' choices

Our values

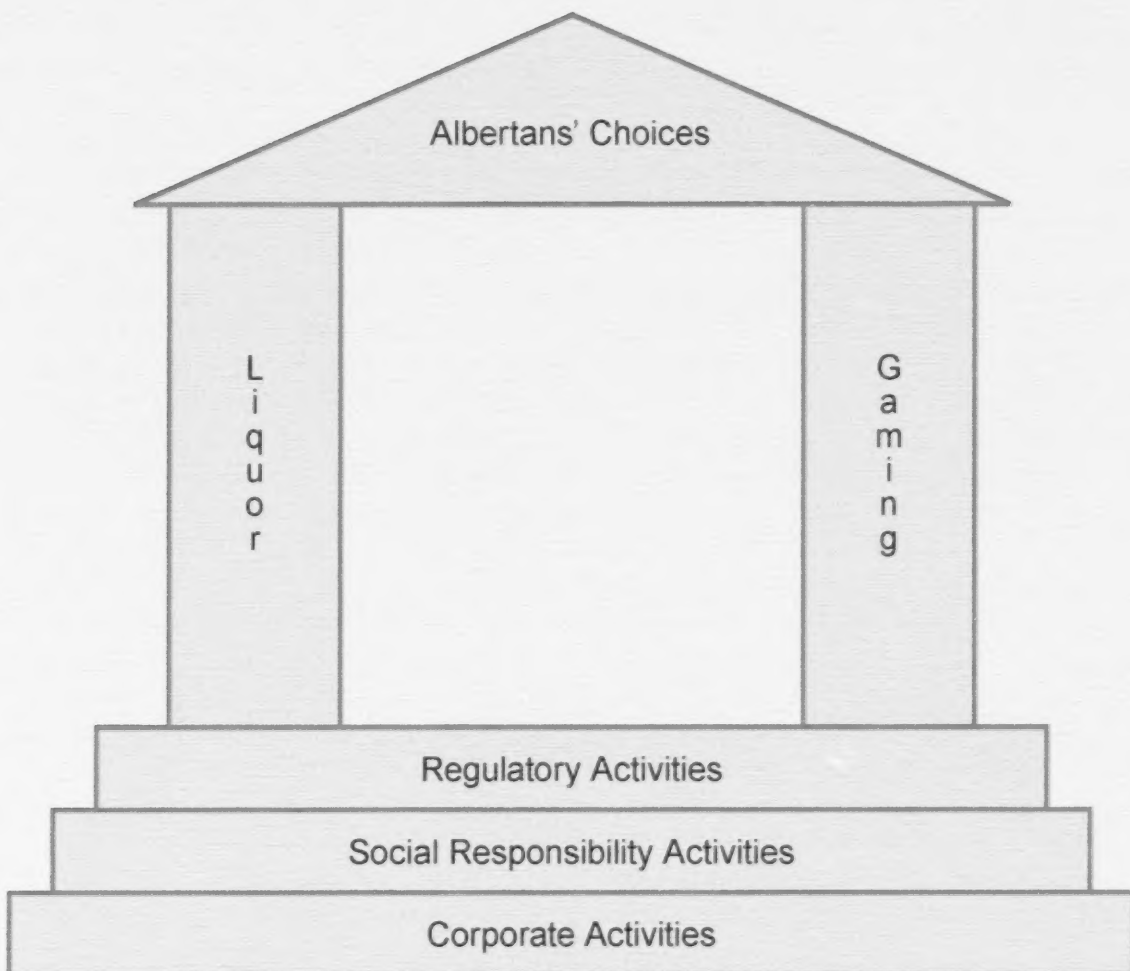
The AGLC is committed to operating according to the following values:

- **Foresight:** We are aware of and take a proactive approach to shifts in social, political, economic and environmental trends.
- **Accountability:** We hold ourselves accountable for our decisions.
- **Integrity:** We are open and transparent and act with impartiality to uphold the trust of all our stakeholders.
- **Respect:** We value our colleagues, stakeholders and Albertans and our shared responsibilities to society and the environment.

AGLC Core Businesses

The AGLC has two core businesses: liquor and gaming.

The diagram below illustrates that the AGLC's two businesses, liquor and gaming, support its mission of providing and protecting Albertans' choices. The diagram also indicates that the AGLC's regulatory, social responsibility, and corporate activities support both businesses.



Strategic Directions

1. Implement a renewed model for how charities and communities benefit from the changing landscape of gaming in Alberta.
2. Develop a vision for the modernization of the gaming experience and allocation of gaming products across casinos, bingo halls, licensed establishments and others.
3. Ensure the AGLC's interface with clients (retailers, licensees, registrants, and employees) for the delivery of services will utilize an interactive web-based platform, where feasible.
4. Commit to infrastructure modernization (financial systems, VLT, liquor web-based) and systems innovations to protect the \$2.2 billion provided to the Government of Alberta and \$325 million provided to charities.
5. Transform the gaming experience and broaden the player base to potentially grow revenues in a sustainable way.
6. Maintain the AGLC's reputation of being approachable and consultative in considering workable solutions/ options and for fostering a culture of moderation and environmental consciousness in the gaming and liquor industries.
7. Continue to create a relationship between the Government of Alberta and the AGLC that reflects a shareholder-business model.
8. Continue to build a culture where employees are empowered to actively identify, lead and implement change.

Goals, Strategies, and Performance Measures

Core Business 1: Liquor

The AGLC licences and regulates all liquor activities in accordance with the *Gaming and Liquor Act*, regulation, other provincial and federal legislation and policy to ensure that liquor activities are conducted with integrity. The private sector operates the warehousing, distribution and retailing of liquor in Alberta.

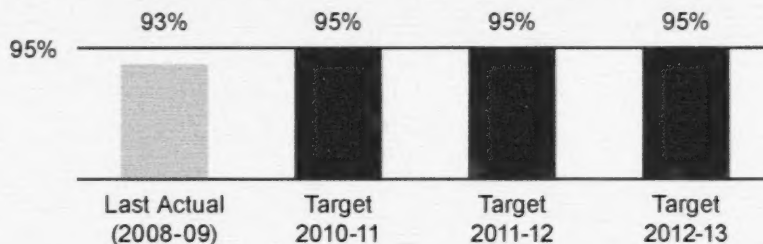
The AGLC encourages the responsible sale and consumption of liquor.

Goal 1: Maintain the integrity of Alberta's liquor industry by:

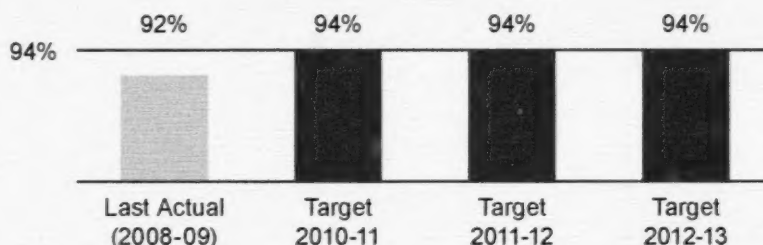
- 1.1. Licensing and registering eligible applicants in accordance with legislation and policies
- 1.2. Conducting inspections of licensed premises
- 1.3. Investigating all complaints and alleged violations and responding to any illegal liquor activities
- 1.4. Registering liquor products to be offered for sale in Alberta to ensure compliance with provincial and federal legislation, regulation and policy and ensuring agents and suppliers are aware of requirements
- 1.5. Implementing interactive, web-based platforms to enhance customer service
- 1.6. Reviewing legislation and policies to ensure Alberta's liquor model meets the expectations of Albertans

Performance Measures:

1.a. Percentage of liquor licensees who comply with legislation, regulation and policy



1.b. Percentage of Albertans satisfied that liquor is provided in a responsible manner

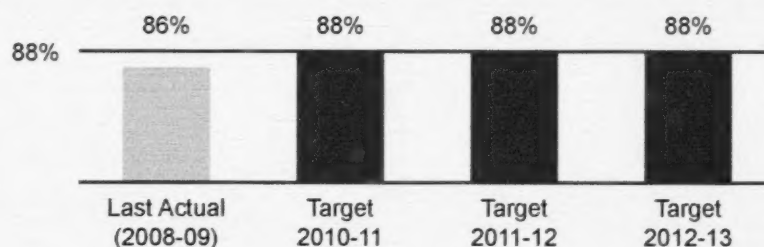


Goal 2: Promote a culture of moderation to reduce alcohol related harms by:

- 2.1. Addressing the causes and impacts of violence in and around licensed premises and working to improve safety in these premises in conjunction with the Alberta Safer Bars Council.
- 2.2. Continuing to develop an action plan for the implementation of the Alberta Alcohol Strategy in partnership with Alberta Health Services.
- 2.3. Promoting the responsible service and consumption of alcohol through various initiatives in collaboration with the liquor industry, Alberta Health Services, government ministries and other stakeholders.

Performance Measures:

2.a. Percentage of Albertans aware of prevention and treatment programs for alcohol abuse



Note: The AGLC is developing two new measures for this goal -

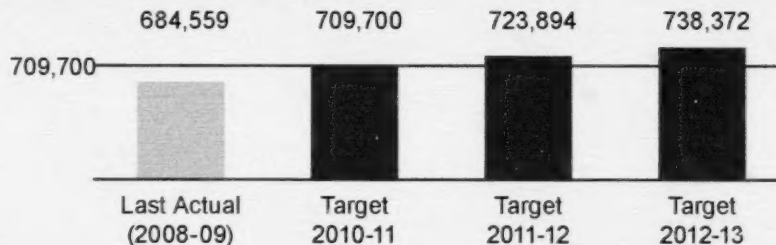
1. Percentage of Albertans that drink alcohol in moderation
2. Percentage of Albertans satisfied that licensed premises in Alberta are safe and responsible environments in which to consume alcohol

Goal 3: Sustain the province's revenue from liquor mark-up and ensure stability in the liquor supply chain by:

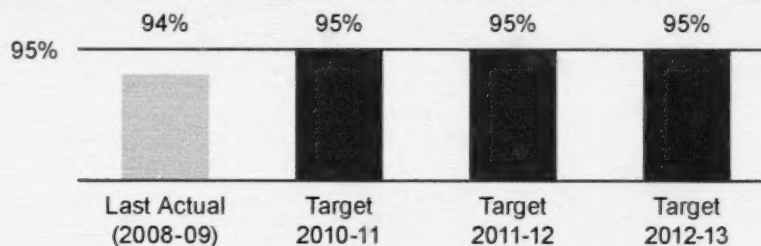
- 3.1. Taking a proactive role and collaborating with liquor agents to ensure that an accurate forecast of liquor volume demands are in place.
- 3.2. Working with the private warehouser to improve efficiencies and strive for cost reductions.
- 3.3. Continuing to work with stakeholders to streamline and improve the efficiency of payment processes.

Performance Measures:

3.a. Liquor Markup Collected (thousands of dollars)



3.b. Percentage of industry clients satisfied with the level of service provided by the AGLC



Core Business 2: Gaming

The AGLC licenses and regulates all charitable gaming activities (casino table games, pull-ticket sales, raffles and bingo events) and conducts and manages ticket lotteries and all electronic gaming devices (slot machines, VLTs, and electronic bingo).

These activities are conducted in Alberta under the authority of the *Criminal Code* (Canada), *Gaming and Liquor Act* and Regulation, other federal and provincial legislation, and Board policy.

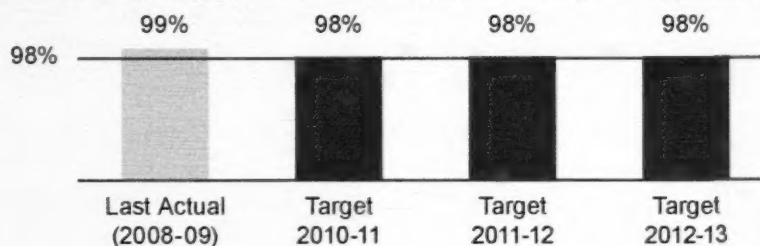
The AGLC is committed to ensuring that all gaming activities are conducted with integrity, delivered in a manner that encourages responsible gaming, meet the needs of consumers and communities, and meet the expectations of Albertans.

Goal 4: Maintain the integrity of Alberta's gaming activities by:

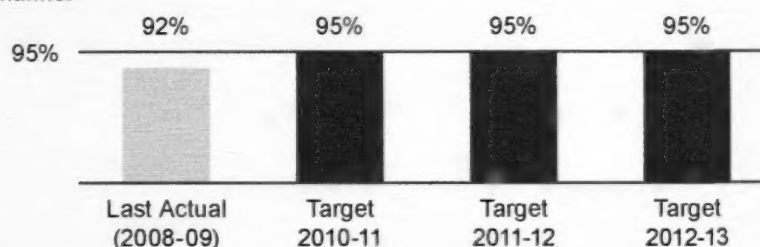
- 4.1. Licensing eligible applicants in accordance with legislation and policies.
- 4.2. Ensuring due diligence in the licensing process related to the eligibility of charitable organizations for charitable gaming licences and use of proceeds.
- 4.3. Enhancing applicants' and licensees' understanding of gaming legislation and policies through multiple channels, including the Gaming Information for Charitable Groups (GAIN) program.
- 4.4. Ensuring charities receive all funds to which they are entitled, that the use of proceeds are reported in a timely manner, and that proceeds are used for approved purposes.
- 4.5. Investigating all complaints and alleged violations and responding to any potential illegal gambling activities.
- 4.6. Conducting due diligence investigations including complete criminal and financial background reviews for all gaming facility licensees and gaming suppliers.
- 4.7. Conducting inspections and audits of gaming licensees and activities.
- 4.8. Implementing interactive, web-based platforms to enhance customer service.

Performance Measures:

4.a. Percentage of charitable gaming activities conducted in accordance with legislation, regulation and policy



4.b. Percentage of Albertans satisfied that the gaming activity they participated in was provided fairly and in a responsible manner



4.c. Percentage of gaming integrity issues resolved within established timeframes

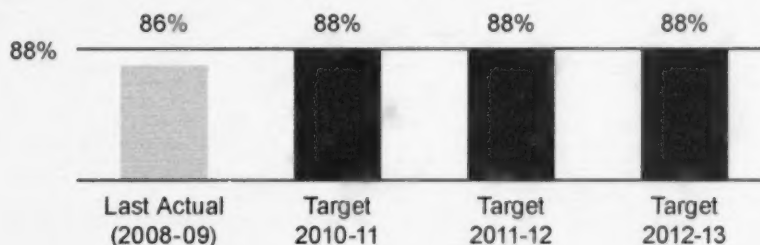


Goal 5: Encourage the development of healthy, sustainable gambling environments that minimize gambling related harm by:

- 5.1. Implementing the joint Responsible and Problem Gambling Strategy titled "Both Sides of the Coin" in collaboration with Alberta Health Services, as approved.
- 5.2. Developing, implementing and evaluating initiatives that encourage responsible gambling in collaboration with the gaming industry, Alberta Health Services and other stakeholders.

Performance Measures:

5.a. Percentage of Albertans aware of prevention and treatment programs for problem gambling



Note: The AGLC is developing two new measures for this goal -

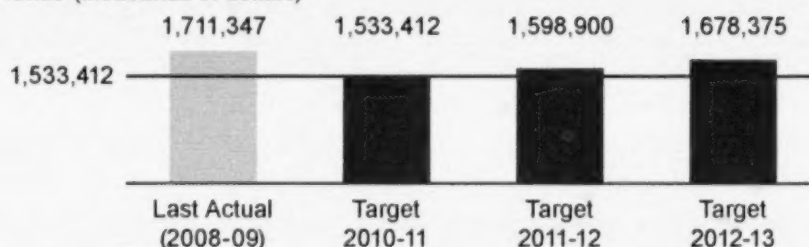
1. Percentage of Albertans that gamble responsibly
2. Percentage of Albertans satisfied that licensed gaming venues in Alberta are safe and responsible environments in which to gamble

Goal 6: Sustain net revenues from gaming by adapting to the changing environment by:

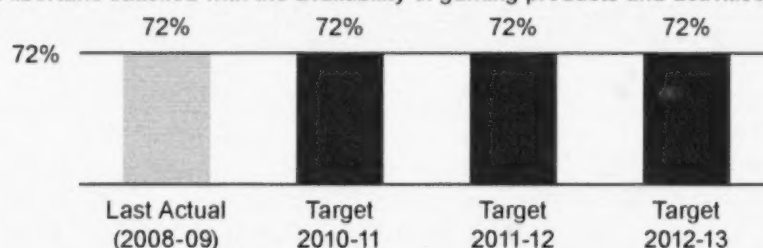
- 6.1. Evaluating strategies in collaboration with gaming operators, gaming suppliers and charities to ensure that charitable gaming activities maximize benefits to charities.
- 6.2. Developing and implementing a net revenue stabilization plan.
- 6.3. Modernizing gaming technologies and developing strategic partnerships to progressively leverage gaming products and service opportunities.
- 6.4. Ensuring distribution channels are reflective of player expectations and the views and values of Albertans.
- 6.5. Providing Albertans with a gaming experience aligned to player expectations.
- 6.6. Reviewing Alberta's charitable gaming model to ensure it is working effectively and meets the expectations of Albertans.
- 6.7. Considering the socio-economic impacts of gaming as well as business and economic "capacity" issues to establish policy direction.

Performance Measures:

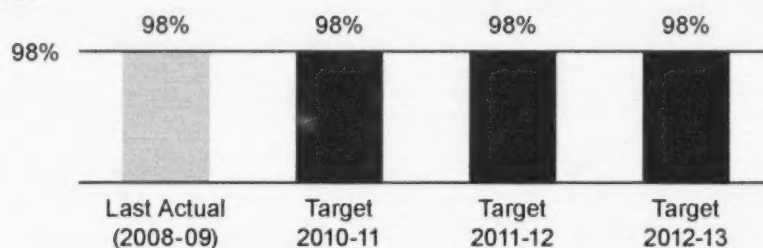
6.a. Gaming revenue (thousands of dollars)



6.b. Percentage of Albertans satisfied with the availability of gaming products and activities



6.c. Percentage of retailers satisfied with AGLC services related to VLTs, slot machines, electronic bingo, Keno and ticket lotteries



Support to Core Businesses

- Cultivate cross-divisional relationships and expertise to achieve business plan goals.
- Communicate, engage and collaborate with stakeholders.
- Support a healthy workplace that allows for professional and personal development.
- Ensure the resources entrusted to the AGLC are responsibly managed.
- Continue to integrate corporate social responsibility into AGLC culture.
- Use current and innovative technology to support business requirements.
- Uphold the AGLC's integrity and reputation.

Alberta Gaming and Liquor Commission

Statement of Operations

(Thousands of dollars)	Comparable			2010-11 Budget	2011-12 Target	2012-13 Target
	2008-09 Actual	2009-10 Budget	2009-10 Forecast			
NET REVENUE						
Gaming Operations						
Video Lottery Terminal	591,939	616,066	512,280	496,864	501,534	524,754
Casino Gaming Terminal	869,289	881,361	775,759	773,751	821,853	872,519
Ticket Lottery	250,119	240,852	240,275	262,797	275,513	281,102
	1,711,347	1,738,279	1,528,314	1,533,412	1,598,900	1,678,375
Liquor Operations						
Liquor	684,559	890,469	746,131	709,700	723,894	738,372
Other Income	20,835	18,074	12,566	14,394	14,394	14,394
Total Net Revenue	705,394	880,051	758,697	724,094	738,288	752,766
EXPENSE						
Gaming operations	199,818	246,352	246,352	241,296	247,329	253,512
Liquor operations	20,926	28,492	28,492	26,964	27,638	28,329
Total Expense	220,744	274,844	274,844	268,260	274,967	281,841
NET OPERATING RESULTS	2,195,997	2,371,978	2,012,167	1,989,246	2,062,221	2,149,300

Contact Information

For additional copies of this business plan check the AGLC's website at aglc.ca or contact:

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Communications Branch

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Calgary, AB

T2E 7H7

403-292-7300

1-800-372-9518

Grande Prairie

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Grande Prairie, AB

T8V 5L7

780-832-3000

(Dial 310-0000 for
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Lethbridge

310 3 12 Avenue N

Lethbridge, AB

T1H 5P7

403-331-6500

(Dial 310-0000 for
toll free access)

Red Deer

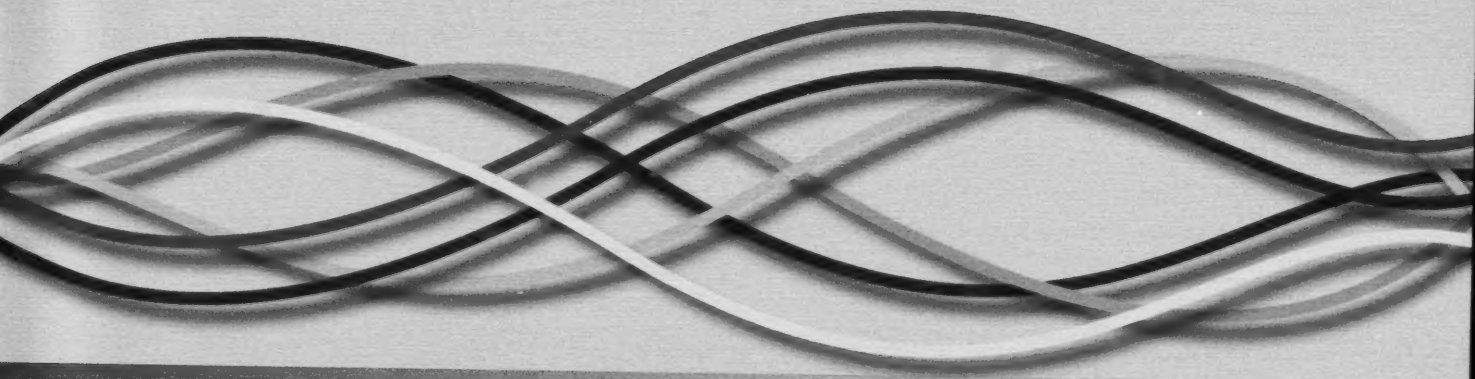
3, 7965 49 Ave

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AGLC

Alberta Gaming and
Liquor Commission
An Agent of the Government of Alberta



ALBERTA
LOTTERY FUND